

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 8011

BILL NUMBER: SB 542

DATE PREPARED: Jan 14, 2001

BILL AMENDED:

SUBJECT: Publication of county claims.

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FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires the county auditor to:

- (1) publish in two newspapers an itemized statement of claims filed for consideration by the county executive; or
- (2) post on the Internet an itemized statement of claims filed for consideration by the county executive; or
- (3) both.

Effective Date: July 1, 2001.

Explanation of State Expenditures:

Explanation of State Revenues: Violation of the new publication requirement provisions of this bill would result in a Class C infraction.

If additional court cases occur, revenue to the state General Fund may increase if infraction judgments and court fees are collected. The maximum judgment for a Class C infraction is \$500 which is deposited in the state General Fund. If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed. 70% of the court fee would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

Explanation of Local Expenditures: The option to post an itemized statement of claims on the Internet would reduce county expenses. However, if the itemized statement of claims is published on the Internet, the county auditor must publish a statement of the total amount of the claims in the newspaper(s). While there will be a cost to publish the total amount of claims, the publication costs will be reduced because less space

will be required to publish the total amount versus the itemized statement. Currently there are 40 counties that have a web site on the Internet. The provisions of this bill may also have a minimal impact on indirect costs (e.g., staff time to prepare the publication, printing, faxing).

In 1999, the Association of Indiana Counties conducted a survey regarding legal publication costs with 70 of the counties responding. It is estimated that approximately \$855,000 is spent annually by counties on the publication of claims in advance of payment per the guidelines of P. L. 64-1995.

Under P. L. 64-1995, basic publishing charges are by the line with squares of 250 ems. Before January 1, 1996, the rate was three dollars and thirty cents (\$3.30) per square for the first insertion in a newspaper or qualified publication plus one dollar and sixty-five cents (\$1.65) per square for each additional insertion in a newspaper or qualified publication. After December 31, 1995, and before December 31, 2005, a newspaper or qualified publication may, effective January 1, increase the basic charges by five percent (5%) more than the basic charges that were in effect during the previous year. However, the basic charges for the first insertion of a public notice in a newspaper or qualified publication may not exceed the lowest classified advertising rate charged to advertisers by the newspaper or qualified publication for comparable use of the same amount of space for other purposes. An additional charge of fifty percent (50%) is allowed for the publication of all public notice advertising containing rule or tabular work.

As previously reported above, the County Auditor would be required to mail claims requested if posted on the Internet within three business days of the request. Rates for certified mail are as follows: \$1.90 for certification, \$0.34 first class postage (if mail weighs more than an ounce), \$1.50 for certification card.

Explanation of Local Revenues: If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected:

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Association of Indiana Counties; U.S. Postal Service.